

# **CITY OF KELOWNA**

## **BYLAW NO. 10566**

### **Amendment No. 1 to City of Kelowna Revitalization Tax Exemption Bylaw No. 9561**

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The Municipal Council of the City of Kelowna, in open meeting assembled, enacts that the City of Kelowna Revitalization Tax Exemption Bylaw No. 9561 be amended as follows:

1. THAT the preamble be deleted that reads:

“AND WHEREAS Council wishes to establish a revitalization tax exemption program in the Downtown Urban Centre and Rutland Urban Centre areas of the City of Kelowna;

AND WHEREAS Council has included within “Kelowna 2020 - Official Community Plan Bylaw No. 7600” a designation of parts of the Downtown Urban Centre and Rutland Urban Centre as revitalization areas and provided reasons for that designation, as required by the Community Charter;”

And replaced with the following:

AND WHEREAS Council wishes to establish a revitalization tax exemption program in the City of Kelowna in order to encourage redevelopment of those areas, identified in Schedule “A” of this Bylaw, which are experiencing challenges in attracting investment and are not achieving their full potential to serve the residents of Kelowna as vital, animated urban spaces;

AND WHEREAS Council wishes that the following objectives of the program be known:

- To encourage new residential and commercial development to locate within urban centres in order to sustain and enhance the existing commercial centres, reduce greenhouse gas emissions associated with transportation, and promote healthy and pedestrian-oriented lifestyles,
- To promote a higher standard of urban design within urban centres in order to increase the attractiveness of these locations to existing and potential residents,
- And to generally reinforce the prominence and importance of urban centres within Kelowna;

AND WHEREAS Council has included within this Bylaw a description of the reasons for and the objectives of the program and a description of how the program is intended to accomplish the objectives, as required by the Community Charter;”

2. AND THAT Section 5., sub-sections a, b and c be deleted in their entirety and replaced with the following:

"The amount of an annual Tax Exemption shall be equal to:

- a. For "Tax Incentive Area 1," 100% of the municipal share of the property tax due annually in relation to the improvements on the Parcel;
- b. For "Tax Incentive Area 2," 75% of the municipal share of the property tax due annually in relation to the improvements on the Parcel which can be attributed to a residential land use, and/or 50% of the municipal share of the property tax due annually in relation to the improvements on the Parcel which can be attributed to a commercial land use. For mixed-use buildings the above tax exemptions shall be pro-rated across the building to arrive at a combined exemption (e.g. half the building is residential  $[0.5 \times 75\% = 37.5\%]$  and half the building is commercial  $[0.5 \times 50\% = 25\%]$  for a combined exemption of 62.5%);
- c. For "Tax Incentive Area 3," 100% of the municipal share of the property tax due annually in relation to the improvements on the Parcel;"

3. AND THAT Section 6. be amended by:

- a) Deleting sub-paragraph b. in its entirety and replacing it with the following:

"b. the construction value of the Project, as determined based on the building permit(s) issued, must be \$50,000.00 or greater.";

- b) Deleting "Kelowna 2020 - Official Community Plan Bylaw No. 7600" after the words "is consistent with the future land use designation for the Parcel, as set out in" in sub- paragraph c. and replace it with "Kelowna 2030 - Official Community Plan Bylaw No. 10500."; and

- c) Adding a new sub-paragraph e. as follows:

"e. the form and character of the Project must be largely consistent with the applicable Development Permit Area Design Guidelines contained within Chapter 14 of the Kelowna 2030 - Official Community Plan Bylaw No. 10500;"

4. AND THAT Section 10. be deleted in its entirety and replaced with:

"10. The maximum term of a Tax Exemption shall be ten years. The Tax Exemption is transferrable to subsequent property owners within the term of the agreement."

5. AND THAT Section 11. be amended by deleting:

"11. If an owner of a Parcel wishes Council to consider entering into an Agreement with him, the owner must apply to the Manager of Policy, Research & Strategic Planning, or her designate, in writing and must submit the following with the application:"

And replacing it with:

- "11. If an owner of a Parcel wishes Council to consider entering into an Agreement, the owner must apply to the Director of Land Use Management or designate, in writing and must submit the following with the application:"
6. AND THAT Section 13. be deleted in its entirety and replaced with the following:
- "13. The Director of Financial Services for the City, or designate, is designated the municipal officer for the purpose of section 226(12) of the Community Charter."
7. AND THAT **SCHEDULE "A", Revitalization Areas**, be amended by deleting the Maps and replacing it with new Maps attached to and forming part of this bylaw;
8. AND THAT **SCHEDULE "B", Revitalization Tax Exemption Agreement**, be amended by :

a) Deleting the preamble B that reads:

"B. Council has established a revitalization tax exemption program in parts of the Downtown and Rutland Urban Centres, and has included within "*Kelowna 2020 - Official Community Plan Bylaw No. 7600*" a designation of an area which includes the Parcel as a revitalization area; and"

And replacing it with:

"B. Council has established a revitalization tax exemption program and has included within the City of Kelowna Revitalization Tax Exemption Bylaw No. 9561 the designation of areas which include the Parcel as a revitalization area; and"

- b) Deleting in Section 1 the words "in section 6.2 of Chapter 6 of *Kelowna 2020 - Official Community Plan Bylaw No. 7600*. "after the words, "objectives of the revitalization tax exemption program, as outlined" and replacing it with the words "City of Kelowna City of Kelowna Revitalization Tax Exemption Bylaw No. 9561."
- c) Deleting in Section 4 c. the words "the City's Director of Planning & Development Services in his sole discretion, acting reasonably;" after the words "Appendix "D" hereto, as determined by" and replacing it with the words "the City's Land Use Management or designate, in their sole discretion, acting reasonably;"

d) Deleting Section 5 in its entirety and replacing it with the following:

"5. **Calculation of Revitalization Tax Exemption** - the amount of the Tax Exemption shall be equal to *[choose one from below and insert applicable wording:*

- a) For "Tax Incentive Area 1", 100% of the municipal share of the property tax due annually in relation to the improvements on the Parcel;

- b) For "Tax Exemption Area 2," 75% of the municipal share of the property tax due annually in relation to the improvements on the Parcel which can be attributed to a residential land use, and/or 50% of the municipal share of the property tax due annually in relation to the improvements on the Parcel which can be attributed to a commercial land use. For mixed-use buildings the above tax exemptions shall be pro-rated across the building to arrive at a combined exemption (e.g. half the building is residential [ $0.5 \times 75\% = 37.5\%$ ] and half the building is commercial [ $0.5 \times 50\% = 25\%$ ] for a combined exemption of 62.5%);
- c) For "Tax Exemption Area 3," 100% of the municipal share of the property tax due annually in relation to the improvements on the Parcel;

*but in any case shall not be more than the incremental increase in the assessed value of improvements on the Parcel between the year before the commencement of construction of the Project, and the year following the year in which the Tax Exemption Certificate is issued.]"*

- e) Deleting in Section 6 the word "Intial" before the words "Term of Tax Exemption"
- f) deleting Section 7 in its entirety that reads:

"7. **Renewal Term** - provided that the Tax Exemption Certificate is not cancelled by the City pursuant to the terms of this agreement, the Owner may, at its option, by written notice delivered to the City before September 1 in the last year of the initial term outlined in section 6 above, renew the Tax Exemption for one five year renewal term on all the same terms and conditions as herein set out, except that this section shall not apply and shall have no further force and effect."

9. **AND THAT SCHEDULE "C", Tax Exemption Certificate, be amended by:**

Deleting the section that reads:

"This certificate certifies that the Parcel is subject to a revitalization tax exemption equal to \_\_\_\_\_ or the total amount of the municipal share of property tax due in relation to the improvements on the Parcel, whichever is less ( the "Exemption"), for each of the taxation years 20\_\_ to 20\_\_ inclusive."

And replacing it with:

"This certificate certifies that the Parcel is subject to a revitalization tax exemption equal to the following improvement portion(s) of the assessment value of the Parcel: Class 01 Residential: \_\_\_\_\_ and Class 06 Business/Other: \_\_\_\_\_ multiplied by the municipal rate of tax in effect for class 01 - Residential and/or Class 06 - Business/Other, for each of the taxation years 20\_\_ to 20\_\_ inclusive."

10. This bylaw shall be cited for all purposes as "Bylaw No. 10566 being Amendment No. 1 to City of Kelowna Revitalization Tax Exemption Bylaw No. 9561."
11. This bylaw shall come into full force and effect and be binding on all persons on the date of adoption.

Read a first, second and third time by the Municipal Council this 11<sup>th</sup> day of July, 2011.

Adopted by the Municipal Council of the City of Kelowna this

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Mayor

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City Clerk

SCHEDULE "A", Revitalization Areas



